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Media Release

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Wal-Mart Agrees to Compensate Employees for Technical Errors \$96,000 will be paid to approximately 300 current and former Delaware employees

In a settlement with the U.S. Department of Labor, Wal-Mart Stores Inc. has agreed to compensate its employees for technical errors in the calculations of past overtime pay. Under the agreement, Wal-Mart will pay approximately \$34 million to 87,000 current and former hourly employees nationally who were underpaid by at least \$20, of which \$96,000 will be paid to approximately 300 current and former Delaware employees. The amount being paid to these employees includes up to five year of underpayments with interest.

The agreement, reached between the Department of Labor and Wal-Mart Stores Inc., includes no fines or penalties. Wal-Mart discovered the calculation errors during an internal review of its payroll systems and brought them to the attention of the Department of Labor. The agreement has been filed in federal district court and is subject to the court's approval.

During its internal review, Wal-Mart determined that it failed to include periodic bonuses and other earned income in some employees' weekly average hourly pay rate, or "regular rate" of pay, which is used to determine their overtime pay. In addition, pay rates were also calculated on a bi-weekly rather than weekly basis and did not account for some managers and employees in training.

Wal-Mart discovered that approximately 87,000 current and former hourly employees were underpaid by at least \$20 in the last five years. A limited number of employees will be paid much larger sums. During the course of its internal review, Wal-Mart discovered that approximately 215,000 current and former hourly employees were overpaid by at least \$20 in the last five years, but will not penalize these employees for this miscalculation. All employees who are compensated for underpayments will be paid with interest.

Under federal law, the overtime pay rate is calculated as 1.5 times the "regular rate" of pay, which may be higher than the hourly rate because it includes all compensation, including bonuses and other earned income, in a work week, unless state law requires otherwise. Another miscalculation involved overtime payments that were recorded on a bi-weekly basis when they should have been calculated weekly. Approximately 40 percent of all employees owed more than \$20 were involved in Wal-Mart's manager and programmer in training programs and were therefore entitled to overtime pay while in training.

Employees of Wal-Mart who think they may be entitled to compensation should visit www.dol.settlement.wal-mart.com or call (888) 262-1559 ((800) 318-7442 for hearing impaired) if they have any questions.

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